

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 IO-14 ISO-00 AF-10 ARA-14 EA-09

NEA-10 L-03 FRB-01 OMB-01 ITC-01 SP-02 USIA-15

AGRE-00 AID-05 CIAE-00 COME-00 INR-07 LAB-04

NSAE-00 OIC-02 EPG-02 SIL-01 STR-04 TRSE-00

CEA-01 PA-02 PRS-01 /129 W

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R 111304Z JUL 77

FM USMISSION GENEVA

TO SECSTATE WASHDC 9017

INFO AMEMBASSY VIENNA

USMISSION USUN NEW YORK

UNCLAS SECTION 1 OF 2 GENEVA 5624

E.O. 11652: NA

TAGS: UNCTAD, ETRD

SUBJ: MEETING OF THE EIGHTH SESSION OF UNCTAD COMMITTEE ON
MANUFACTURES - JULY 4-8

1. SUMMARY: THE UNCTAD COMMITTEE ON MANUFACTURES' EIGHTH SESSION FOR THE MOST PART WAS UNEVENTFUL. BOTH GROUP B AND THE G-77 COMPLAINED LOUDLY ABOUT THE LATENESS OF DOCUMENTS. THE G-77 REITERATED ITS POSITION ON TRADE AND ON THE MFA. ACTION ON THREE OLD RESOLUTIONS ON SAFEGUARDS, SUBSIDIES, AND ADJUSTMENT ASSISTANCE WAS DEFERRED. THE COMMITTEE APPROVED A RESOLUTION NOTING THE REPORT OF THE AD HOC GROUP OF EXPERTS ON RESTRICTIVE BUSINESS PRACTICES AND ENDORSING ITS PROPOSAL FOR TWO SESSIONS IN 1978. THE COMMITTEE AGREED TO DEFER UNTIL ITS NINTH SESSION A DECISION ON CONVENING UNDER UNCTAD AUSPICES A GROUP OF EXPERTS TO EXAMINE THE QUESTION OF INTERGOVERNMENTAL FRAMEWORK AGREEMENTS. THE NINTH SESSION IS SCHEDULED FOR MAY 29 - JUNE 9, 1978, WITH GROUP B RESERVING ON WHETHER A MEETING THIS SOON IS NEEDED.

2. PERHAPS DUE TO THEIR FATIGUE AS A RESULT OF THE
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RECENT HEAVY SCHEDULE OF MEETINGS AND THEIR PREOCCUPATION WITH OTHER SUBJECTS, THE G-77 SEEMED TO ATTACH LITTLE IMPORTANCE TO THE MANUFACTURES MEETING. THEY MADE NO SIGNIFICANT PROPOSALS AND REJECTED, AT LEAST FOR THE PRESENT, THE KEY SECRETARIAT PROPOSAL. THE SESSIONAL COMMITTEE, WHICH WAS TO DISCUSS AGENDA ITEM 3(A) (I), IMPROVING ACCESS TO MARKETS, WAS CANCELLED AND

THE PLENARY TREATED ALL MATTERS ON THE AGENDA.

3. THE DIRECTOR FOR MANUFACTURES, KRISHNAMURTI, IN AN OPENING STATEMENT, CRITICIZED THE SLOW PACE OF THE MTN, ASSERTED THE OBJECTIVES OF THE TOKYO DECLARATION WERE NOT BEING ACHIEVED, AND SUGGESTED THE COMMITTEE EXAMINE THE TRADE ISSUES OF IMPORTANCE TO THE DEVELOPING COUNTRIES. KRISHNAMURTI ALSO CALLED ATTENTION TO THE SECRETARIAT'S PROPOSAL FOR AN AD HOC GROUP OF GOVERNMENTAL EXPERTS TO EXAMINE THE TRADE ASPECTS OF INTERGOVERNMENTAL FRAMEWORK AGREEMENTS. A REPRESENTATIVE OF UNIDO (CARRE) SAID IN A STATEMENT BEFORE THE COMMITTEE THAT CONSULTATIONS WITH UNCTAD ON THE PROPOSAL FOR AN UNCTAD AD HOC GROUP HAD BEEN LIMITED AND LATE. HE DESCRIBED UNIDO'S PLAN OF WORK ON FRAMEWORK AGREEMENTS AND URGED UNCTAD CONSULT MORE CLOSELY WITH UNIDO AND CONCENTRATE ONLY ON THE TRADE ASPECTS OF FRAMEWORK AGREEMENTS. AT GROUP B INVITATION, HE ALSO PARTICIPATED IN TWO HOUR DISCUSSION IN GROUP B CAUCUS ON HOW TO MEET UNCTAD AND UNIDO ACTIVITY ON SUBJECT.

4. THE YUGOSLAV REPRESENTATIVE, ON BEHALF OF THE G-77, MADE A BRIEF STATEMENT ON ACCESS TO MARKETS. HE EXPRESSED THE LDCS' DISAPPOINTMENT WITH THE LACK OF PROGRESS AT THE MTN, COMPLAINED OF DEPARTURES BY THE DEVELOPED COUNTRIES FROM STANDSTILL, AND CALLED ON THE

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DEVELOPED COUNTRIES TO RESPOND POSITIVELY TO THE DEVELOPING COUNTRIES' REQUESTS FOR SPECIAL AND DIFFERENTIAL TREATMENT. THE INDIAN REPRESENTATIVE MADE A STATEMENT ON TRADE IN WHICH HE EXPRESSED THE VIEW THAT THE LONDON SUMMIT AS YET HAD HAD NO PRACTICAL EFFECT ON THE MTN AND COMPLAINED THAT THE DEVELOPED COUNTRIES' OFFER ON TROPICAL PRODUCTS WERE MEAGER. THE INDIAN CRITICIZED THE PROPOSAL FOR GRADUATION ON THE GROUNDS THAT IT WOULD COMPLICATE INTERNATIONAL TRADE BY CREATING A PLETHORA OF CATEGORIES OF DEVELOPING COUNTRIES. LATER IN THE DEBATE, BOTH THE INDIAN AND THE G-77 SPOKESMAN NOTED THE IMPORTANCE OF THE TEXTILE TRADE TO DEVELOPING COUNTRIES, BUT OBSERVED THAT IT WOULD BE INAPPROPRIATE FOR THE COMMITTEE TO EXAMINE IN DETAIL THE QUESTION OF TEXTILES WHILE THE MFA NEGOTIATIONS WERE UNDERWAY. THE GROUP B SPOKESMAN (BRUNGART) ALSO MADE A STATEMENT ON TRADE. IN IT HE NOTED THAT DESPITE THE RECESSION,

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DEVELOPED COUNTRIES HAD NOT RESORTED TO PROTECTIONISM
AND HE REPEATED THE CIEC COMMITTXXMENT TO SEEK TO ACHIEVE
IN 1977 SUBSTANTIVE PROGRESS IN KEY AREAS OF THE MTN.
THE US MADE A BRIEF STATEMENT OUTLINING ITS POSITION ON
ADJUSTMENT ASSISTANCE.

5. THE G-77 SHOWED NO INTEREST IN ESTABLISHING THE AD
HOC GROUP ON FRAMEWORK ARRANGEMENTS PROPOSED BY THE
SECRETARIAT. THE G-77 SPOKESMAN POINTED TO THE LACK OF
COORDINATION BETWEEN UNCTAD AND UNIDO AND SAID THERE
ALREADY WAS A HEAVY SCHEDULE OF MEETINGS. HE SUGGESTED
THAT THE UNIDO AND UNCTAD SECRETARIATS IMPROVE COORDINA-
TION AND THAT THE SECRETARIAT REPORT TO THE NINTH SESSION.
GROUP B EXPRESSED RESERVATIONS ABOUT SOME OF THE ITEMS
IN THE SECRETARIAT'S PAPER ON INDUSTRIAL COLLABORATION
AGREEMENTS AND AGREED WITH THE G-77 SUGGESTION TO DEFER
CONSIDERATION OF THE PROPOSAL FOR AN EXPERTS GROUP TO THE
NEXT MEETING OF THE MANUFACTURES COMMITTEE.

6. AT THE PLENARY ON JULY 8, YUGOSLAVIA, ON BEHALF OF THE
G-77, SAID THAT DUE TO THE LACK OF TIME AND TO THE FACT THAT
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SAFEGUARDS AND SUBSIDIES AND COUNTERVAILING DUTIES WERE
BEING DISCUSSED AT THE MTN, CONSIDERATION ON THE DRAFT
RESOLUTIONS ON THOSE SUBJECTS, WHICH THE SIXTEENTH TDB
HAD REMANDED TO THE COMMITTEE, SHOULD BE POSTPONED TO THE
NEXT MEETING OF THE MANUFACTURES COMMITTEE. HE SUGGESTED,

HOWEVER, THAT THE COMMITTEE DISCUSS THE DRAFT RESOLUTION ON ADJUSTMENT ASSISTANCE WHICH THE TDB SIMILARLY HAD SENT THE COMMITTEE. GROUP B AGREED WITH DEFERRAL OF THE FIRST TWO DRAFT RESOLUTIONS AND SUGGBED CONSIDERATION OF ADJUSTMENT ASSISTANCE LIKEWISE BE POSTPONED. AFTER SOME PRELIMINARY DISCUSSION IN A CONTACT GROUP JULY 8, THE G-77 ACCEPTED THIS SUGGESTION. PRESUMABLY ALL THREE RESOLUTIONS WILL REMAIN BURIED UNTIL THE NINTH SESSION.

7. THE G-77 OFFERED A DRAFT RESOLUTION ON RESTRICTIVE BUSINESS PRACTICES. THE DRAFT PROPOSED TWO FINAL MEETINGS OF THE AD HOC GROUP ON RESTRICTIVE BUSINESS PRACTICES BEFORE THE NEXT MEETING OF THE MANUFACTURES COMMITTEE IN MID-1978 AND RECOMMENDED TO THE TDB THAT "A NEGOTIATING CONFERENCE BE CONVENED AT THE END OF 1978 TO DRAW UP THE FINAL TEXT OF A MANDATORY SET OF MUTUALLY AGREED EQUITABLE PRINCIPLES AND RULES" (ON RESTRICTIVE BUSINESS PRACTICES). GROUP B OBJECTED TO A NUMBER OF PROVISIONS OF THE DRAFT RESOLUTION. THE G-77 AND BROUP B' THEN NEGOTIATED A COMPROMISE RESOLUTION WHICH REQUESTS THE AD HOC GROUP TO PROCEED EXPEDITIOUSLY WITH ITS WORK, REQUESTS THE TDB TO SCHEDULE TWO FURTHER SESSIONS OF THE AD HOC GROUP IN 1978, EACH UP TO TWO WEEKS IN DURATION, AND RECOMMENDS TO THE TD N LIGHT OF THE FINAL REPORT OF THE GROUP OF EXPERTS, IT TAKE APPROPRIATE ACTION CONCERNING INSTITUTIONAL ARRANGEMENTS WITH REGARD TO THE NEGOTIATIONS DESCRIBED IN PARAGRAPH 3(A), SECTION UNCLASSIFIED

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III OF CONFERENCE RESOLUTION 96(IV). (THE TIMING OF THE FINAL EXPERTS REPORT IS NOT PREJUDGED.) SORENSON

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Message Attributes

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